

ARIZONA DEPARTMENT OF ECONOMIC SECURITY

Program: WIOA Title I-B Administrative Cost Limitation

Policy: Administrative Costs Cap Increase COVID-19

Effective Date: March 27, 2020

Revision: 1

I. Policy Statement

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) allows for not more than 20 percent of the total amount of an allocation for PY19 and FY 20 as administrative costs of carrying out local workforce investment activities, provided the increased administrative expenditures are related to the COVID-19 public health emergency, declared under section 319 of the Public Health Services Act. This guidance provides information regarding the administrative caps and reporting requirements.

II. Applicability

This policy applies to local workforce investment activities as stated in WIOA Title I-B Fiscal policy, Administrative Cost Limitations, Section 601 and Costs, Section 602. This policy also applies only to administrative expenditures made under the PY19 and FY20 grants

III. Authority

WIOA Title I-B Fiscal Policy, [Administrative Costs Limitations](#), Section 601 and Costs, Section 602

[CARES Act, Sec. 3515 \(a\)](#)

[Public Health Service Act, section 319 \(42 U.S.C. 247d\)](#)

IV. Definitions

COVID-19: Novel coronavirus SARS-CoV-2.

V. Standards

A. All sections of [WIOA Title I-B Fiscal Policy, Administrative Costs Limitation](#), Chapter 2, Section 600 remain the same with the exception of Section 601 and 602.

B. WIOA Title I-B Fiscal Policy, Chapter 2, Section 601 Administrative Costs Limitations is temporarily amended to add the following:

Administrative Costs of a Local Workforce Development Area's (LWDA) allocation under the Youth, Adult and Dislocated Worker

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programs are expanded from 10% to 20%, provided it meets the conditions referenced in Section C below.

- C.** WIOA Title I-B Fiscal Policy, Chapter 2, Section 602 Administrative Costs Limitations is temporarily amended to add the following:

For PY19 and FY20, the additional 10% of administrative costs must be related to COVID-19 impacts, which include but are not limited to:

1. Increased costs related to facility and office sanitization;
2. Personal protective equipment for staff;
3. Equipment necessary for staff to work remotely; and
4. Equipment necessary for clients to receive remote services.

VI. Procedure

- A.** Expenditures must still be in accordance with the [Allowable Costs policy](#), WIOA Title I Policy Manual, Fiscal Policy Sec. 100, as well as WIOA regulations at [20 CFR 677](#) et al and Federal Cost Principles at [2 CFR 200](#).
- B.** The additional administrative expenditures will be charged to program allocations (subject to the cap) and the breakout of the additional administrative expenditures will be separately reported in Section 10, Remarks, of the expenditure reports. As with all expenditures reported on this form, it will be on a cumulative basis.
- C.** It is recommended that any additional expenditures incurred, per the CARES Act flexibility, is tracked and documented separately, for review during audits.
- D.** For purposes of expedient implementation, contract amendments will not be processed to include this flexibility.